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THE LOS ANGELES BAR ASSOCIATION

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Action by Bar Association in Receivership Scandal and Complete Report of Judiciary Committee

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Bar Association Takes Vigorous Action

APPROVES AND ADOPTS REPORT AND RECOMMENDATIONS OF JUDICIARY COMMITTEE ON RECEIVERSHIP SCANDAL. CONCLUDES THREE SUPERIOR JUDGES SHOULD NOT BE CONTINUED IN JUDICIAL OFFICE. FURTHER ACTION MAY BE TAKEN.

April 14th, 1932.

The report of the Judiciary Committee of the Los Angeles Bar Association on the investigation which it has been conducting for several weeks regarding certain matters affecting the official acts and conduct of several Superior Judges, was delivered to the Board of Trustees late yesterday. At meetings held last night and today the report was read and carefully considered and this afternoon at a meeting at which all of the members of the Board of Trustees were present the report, by unanimous vote, was adopted and approved.

Following is the report in full:

To the Board of Trustees of the
Los Angeles Bar Association:

REPORT OF JUDICIARY COMMITTEE:

By resolution of your Board adopted on March 17, 1932, you directed this Committee to investigate and consider matters concerning certain Judges of the Superior Court and Receiverships, and to report back to your Board with our recommendations.

The Committee has held several meetings and a considerable part of the time of individual members has been devoted to the matters which are the subject of this report.

Our investigation has been confined primarily to the activities of four Judges of the Superior Court of Los Angeles County, namely, Judges John L. Fleming, Walter Guerin, Dailey S. Stafford, and Caryl M. Sheldon, and their relationship, respectively, with receivers appointed by Judges of the said Superior Court.

Toward the close of our investigation, we were directed by your President, Mr. R. P. Jennings, to include Judge Walter S. Gates, who, on account of certain charges made against him after he had deposed receivers Allison and Showalter, desired the Association to make an investigation of such charges.

Our Committee, being without power of examining witnesses under oath, necessarily has been limited in the scope of its investigation. It has accorded to each of the said Judges an opportunity to present to the Committee any facts desired by such Judge, and each of the four Judges was personally interviewed by a sub-committee of the whole; and all said Judges, with the exception of Judge Sheldon, who did not accept the invitation, appeared before the whole Committee.

We appreciate the grave responsibility placed upon us and we have endeavored to judge the actions of those involved, without regard to the acquaintance of members of the Committee with any of the persons in question. It is a task thrust upon us and naturally is one that every member of the Committee wishes could have been avoided. The publicity attending the charges has worked a great hardship upon the many high-minded and able Judges of our Superior Court, and it is to be regretted that the many should be injured by charges against a few of the membership of the Court. Your Committee has carried on its work without publicity and with the earnest desire to submit only relevant and material facts, and our recommendations, for your consideration.

The basic cause of the unethical acts hereinafter set forth is the fact that election to judicial office has become a matter of politics, where the candidate often feels compelled to spend far beyond his means to obtain or to retain his office. Men of little merit or ability often displace the highest type of Judge because they have ability to campaign, or have access to necessary funds with which to make a successful campaign. The finest type of candidate for judicial office is very often unwilling either to spend or allow others to expend any considerable sums in his campaign; he dislikes making speeches concerning his own qualifications; and is meticulous in his avoidance of any act which would be considered beneath the dignity of the office which he occupies or to which he aspires. The other type of candidate plays practical politics to obtain the office, and, in some instances, expects to pay for it in favors which he feels he can grant without, as he thinks, affecting his integrity as a Judge. However, a candidate of the latter type, whether he realizes it or not, has already obliterated the sharp line which in the law divides ethical from unethical conduct, and he is obtuse to the essential requirements of his office. The man who is willing to play politics to obtain judicial office, will probably continue to play politics to keep it. And apparently it is such a problem for him to retain the office that he more or less constantly while in office acts with an eye to his re-election, or to his election to a higher office. It is possible that such men would not stoop to unprofessional acts if the pressure of the present method of campaigning were removed. When a candidate, or his friends and backers, spend thousands of dollars in order to obtain the office of Judge it is rather foolish

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DINNER MEETING

Los Angeles Bar Association

THURSDAY, APRIL 21, 1932

ALEXANDRIA HOTEL

6.00 P. M.

In view of the situation now existing in Los Angeles County the members are fortunate in being able to hear the comments of

OSCAR LAWLER

Past President of the Bar Association
upon
"THE RESPONSIBILITY OF THE JUDICIARY"

Other Speakers

EVERETT W. MATTOON

and

ARTHUR L. SYVERTSON

to assume that we can approach anywhere near the ideal in administration of the law. Related to the immediate problem is the solicitation and acceptance by various Judges of individual campaign contributions from lawyers and other persons and corporations. While the lists of aspirants for judicial office have not always included candidates of outstanding qualifications and the Bar has thus been handicapped in its range of choice, we feel that the recommendations of the Los Angeles Bar Association, as arrived at through secret vote of its entire membership with respect to the qualification of judicial candidates have been effective in checking the tendency toward the gradual deterioration of the bench. With full co-operation between the public and the Bar, we believe that the bench can be restored to a merited public confidence and the judicial system be placed upon a high standard of honor, integrity and business efficiency. Candidates for judicial office indorsed by the Los Angeles Bar Association are relieved of the embarrassments and entanglements incident to personal contributions and campaign favors, as under this system no individual makes a personal contribution to any candidate. Every contribution is paid into the campaign fund of the Association and expended in behalf of all candidates indorsed by it.

Another fact pertinent here is the seeming lack of sound judgment evidenced in the efforts made by many judicial candidates in their election campaigns—their susceptibility to alluring promises and self-laudations of pseudo politicians claiming to be able to "deliver" large numbers of votes for the support of this or that candidate. Such pretenders are uniformly persons of little or no actual political consequence, except as judicial aspirants themselves lend them apparent respectability and standing. So long as the elective system of choosing judges obtains, the most effective means by which the demoralization of the judiciary by sinister political and private interests can be avoided is the thorough co-operation of all members of the Bench and all members of the Bar in an idealistic effort to recommend for election or appointment those candidates known to the legal profession to be best qualified to assume and discharge the grave responsibilities of judicial office. If we can ever develop a method by which men are called to the Bench solely by reason of their ability, learning and character, we will not only obviate such matters as are now before this Committee, but most of the troubles of litigants, the Bench, and the Bar will be solved.

In the matters which have here received our consideration we find elements bound to have led to abuse, assuming even that none of the Judges in question intended to do anything dishonorable or unethical.

It will be noted that Charles F. Allison appeared as assisting in the campaigns of at least two of the Judges here involved, and for at least one of them he made a substantial contribution of money. This man, Allison, from all that we have learned of him not only had no qualifications which would suggest his appointment as a receiver, but his age, experience and training were such as to negative any thought that his appointment was based upon merit or special qualification. We conclude, therefore, that his appointments as receiver came thru his ability to campaign for election of Judges and thru his own efforts to procure his appointment as receiver. Without attempting to exhaust the list we found him receiver or co-receiver in approximately 30 actions. Allison pretended to have considerable power, political influence, and some means, and he undoubtedly misled Judges and candidates into believing he was a young man of political importance.

This particular individual, Charles F. Allison, frankly and boastfully admits that he recognized the possibilities of breaking into what he regarded as a "game," used his time and money to campaign for certain candidates, and expected to acquire lucrative receiverships. He freely makes the statement that while acting as receiver he spent money lavishly amongst court attaches, and he assumed to believe that there was not anything unusual or improper in that regard. His co-receiver, Mr. A. J. Showalter, in a more general way made the observation that a receiver was expected to and did spend considerable of his fees around the Court House in acting as receiver. The view these receivers gave of their attitude towards the judiciary was surprising to the members of your Committee who interviewed them. Apparently Mr. Allison especially played upon the ambitions of some of these Judges, and through social and political contact planned to continue to obtain well paying receiverships. Mr. A. J. Showalter, on the other hand, was not acquainted with any of the Judges in question when he was first appointed receiver, and he was nominated by counsel early in the American Mortgage Company receiverships because, as contractor, he had erected some of the apartments and was desired by different groups of noteholders.

In one instance we find one of these Judges appointing as receiver one who had been an active paid worker in his campaign.

The immediate vice in the method of appointment of receivers appears to be that the appointments by some of the Judges were considered as political patronage incidental to the office of the Judge, instead of being based wholly upon considerations of the right of the parties to have appointed as receivers, and the duty of the court to appoint, disinterested men of integrity, ability and specialized knowledge of the business to be conducted. We find a lack of appreciation on the part of some of the Judges of the dignity of their position, and instances of woeful disregard of that watchful supervision of the receiver's acts which has always been the duty and the practice of qualified Judges in such matters.

Without opportunity of making a complete study of the matter, we nevertheless have sufficient information upon the point to state that it has been the practice of some of the Judges in question to recommend to their colleagues, and thus procure, the appointment as receivers of persons who have worked in or contributed to the campaigns of Judges, or who were related to some business in which the Judge was interested. Having thus procured the first appointment, the recommending Judge in some instances becomes bold enough directly to make a subsequent appointment of the person as receiver in some other case. In other instances the Judge has openly appointed persons who have been employed in his campaign. We find

five persons who had been connected as employees or contributors to campaigns of some of the Judges in question, or in business relations with a Judge, who appear as receivers in the limited number of receivership matters which we have investigated—one of them in 29 actions, one in seven actions, one in three, another in three, and the fifth person in one action.

One of these Judges, interested in a business enterprise, we find using a receiver and other officers of the court to help in a financial way in bolstering up the business in which the Judge was interested.

Those of the Judges who received favors or gifts from the receivers assert that they accepted them without any idea of granting anything in return. Apparently the gifts or loans were accepted with the idea that the receivers were able to make good fees and felt kindly towards the Judge because of their appointment, and such Judges could see no impropriety in receiving small presents. To a considerable part of the public it seems to be thought that the favors to the Judge meant that the gift would directly affect some decision or judgment of the Judge. That is a harsh and probably unjustified view, but the practice is so dangerous that neither the Bench nor the Bar should tolerate such actions or try to find excuse therefor. The view of the receivers in question appears to be that they merely gave the Judges "tips"—much as they would for any service rendered them, and their expressions are rather contemptuous regarding those who accept their favors. The very obtuseness of the Judges in accepting such gifts, loans or favors from receivers and seeing no impropriety therein, is alone sufficient to stamp them as unsuitable members of the Bench.

Neither a Judge nor a practicing lawyer should need a written code of ethics to turn to as a guide to his professional actions, but both the Judge and lawyer have written canons of ethics which set forth clearly the principles which time and experience have demonstrated must govern in the administration of the law.

So high in the past has been the conception by Judges of their duty that by many it was thought unnecessary to provide a written code of ethics for Judges. However, in 1924, the American Bar Association adopted Canons of Judicial Ethics, and the following excerpts therefrom express thoughts that would be naturally in the mind of any man who should aspire to the dignity and responsibility of judicial office.

"A judge's official conduct should be free from impropriety and the appearance of impropriety; he should avoid infractions of law;"

* * * * * * * * *

"Trustees, receivers, masters, referees, guardians and other persons appointed by a judge to aid in the administration of justice should have the strictest probity and impartiality and should be selected with a view solely to their character and fitness. The power of making such appointments should not be exercised by him for personal or partisan advantage. He should not permit his appointments to be controlled by others than himself. He should also avoid nepotism and undue favoritism in his appointments.

"While not hesitating to fix and approve just amounts, he should be most scrupulous in granting or approving compensation for the services or charges of such appointees to avoid excessive allowances, whether or not excepted to or complained of. He cannot rid himself of this responsibility by the consent of counsel."

"He should not act in a controversy where a near relative is a party; he should not suffer his conduct to justify the impression that any person can improperly influence him or unduly enjoy his favor, or that he is affected by the kinship, rank, position or influence of any party or other person."

* * * * * * * * *

"He should not accept inconsistent duties; nor incur obligations, pecuniary or otherwise, which will in any way interfere or appear to interfere with his devotion to the expeditious and proper administration of his official functions."

"He should avoid giving ground for any reasonable suspicion that he is utilizing the power or prestige of his office to persuade or coerce others to patronize or contribute, either to the success of private business ventures, or to charitable enterprises. He should, therefore, not enter into such private business, or pursue such a course of conduct, as would justify such suspicion, nor use the power of his office or the influence of his name to promote the business interests of others; he should not solicit for charities, nor should he enter into any business relation which, in the normal course of events reasonably to be expected, might bring his personal interest into conflict with the impartial performance of his official duties."

* * * * * * * * *

"He should not accept any presents or favors from litigants, or from lawyers practising before him or from others whose interests are likely to be submitted to him for judgment."

* * * * * * * * *

"In every particular his conduct should be above reproach. He should be conscientious, studious, thorough, courteous, patient, punctual, just, impartial, fearless of public clamor, regardless of public praise, and indifferent to private political or partisan influences; he should administer justice according to law, and deal with his appointments as a public trust; he should not allow other affairs or his private interests to interfere with the prompt and proper performance of his judicial duties, nor should he administer the office for the purpose of advancing his personal ambitions or increasing his popularity."

Canons of Judicial Ethics, of American Bar Association.

Before passing to the specific facts developed in our investigation, we wish to give consideration to another general phase of this matter.

Probably the distressing incidents before us would have been avoided if, during past years, there had been a Presiding Judge of the Superior Court selected for a long term, with power of organizing and governing the court and its business, and with ability equal to the requirements of the office. The Bar for years has advocated such reform without success, and many well informed Judges have supported the

effort. The Superior Court in this County is composed of so many Judges that it requires business organization of its work, and executive guidance. Sporadic attempts have been made properly to organize the Court, but even temporary results are dependent on some particularly qualified Judge who holds the position of Presiding Judge for a brief period and whose reforms in large part end with his brief term in the office. There are Judges of our Superior Court highly qualified to run its business, but generally there are jealous factions in the Court itself which nullify unanimity of action; and also there is the seniority rule of selection of Presiding Judge which guarantees mediocrity on the average over a period of years. Why? Because the position of Presiding Judge requires business ability and talents which are not found in many amongst any fifty Judges or lawyers. The bar has heretofore advocated abolishment of the seniority rule. Perhaps this present unfortunate affair may bring some deep and lasting reforms, which will tend to offset the loss of confidence and respect incident to these matters now confronting the Bench and Bar of this County.

Improper activity on the part of a few Judges is of itself sufficient to affect injuriously the morale and the efficiency of the whole Court.

To a certain extent the Bench and Bar are to blame for the opportunity for these matters to have occurred. The Los Angeles Bar Association called the attention of the Judges and the lawyers to the danger of the receivership situation several years ago, but the Bar was not as aggressive or as watchful as it should have been. This is due in part to a hesitancy on the part of lawyers to assume to advise the Judges; and in part to the inherent jealousy of Judges of any interference on the part of lawyers with affairs of the judiciary. Many of the Judges have failed to take sufficient interest in the administration and other problems concerning receiverships to bring about a plan which could have avoided most if not all of the present abuses. A divided court, and lack of a presiding officer who was not dependent on his fellow Judges, kept the Court itself from stamping out any tendency to the abuses in question; and, for a considerable part of the time involved in the period under investigation, the Presiding Judge was himself one of the Judges whose acts are in question here. It must not be forgotten that while the Superior Court is one Court with many members, each Judge in his office is on a par with every other, and, except for the disputed powers of the Presiding Judge—who is selected by his fellows—no Judge has any command or power over another.

In closing this phase of the report, we wish to emphasize that it would be futile to treat of the bare facts of the instant matter without giving serious attention to the basic problems above discussed. Unless those basic problems are attacked and some solution found for the conditions which are here portrayed, we will again, in one form or another, have abuses which will further undermine administration of justice and lower respect for the Judiciary.

The above is but a resume of the broad situation requiring the best thought of the Bench and Bar, and our Association will be lacking in its obligation if consistent effort is not made to find a solution which will strike at the root of the evil.

We have confined our inquiry to matters having to do directly with the actions of the Judges in question in relation to their duties as Judges. Also, we have not attempted to add to our report unnecessary details or to go into any alleged irregularities of any receiver which do not relate to the fitness of the Judges in question.

We would like to stress to you the thought that the instances of lack of judicial dignity, ethics and ideals to follow herein are not characteristic of our Judiciary, but are confined to a minor number of Judges.

The great majority of the Judiciary merit the confidence and respect of the public, and it is the duty of every lawyer to help build and maintain that confidence and respect. The present unfortunate affair should lead our Association to still greater efforts in aid of the Courts and the public.

We now will take up the facts as disclosed by our investigation, and, as far as possible, will keep the case of each Judge separate from that of the others involved.

RE JUDGE WALTER GUERIN.

At the commencement of our investigation, it was claimed that Judge Guerin, one of the Judges of the Superior Court of Los Angeles County, accepted the gift of a suit of clothes from Charles F. Allison, the latter being co-receiver with A. J. Showalter, and appointed by Judges of that Court. Judge Guerin frankly admitted, before this Committee's investigation began, that he so accepted such gift. The suit of clothes we find was paid for by check drawn on the special account of the receivers, Charles F. Allison and A. J. Showalter. The funds were receivership funds. Judge Guerin maintains that he did not know the suit was paid out of such funds, and assumed it was paid for by Allison personally.

On a hearing before Referee Ralph H. Moore, in action No. 325,734, a witness, Jess Wood, testified that Judge Guerin came to his establishment and asked if Wood knew Charlie Allison, and stated that Allison was to give Judge Guerin a suit and overcoat or some clothing, and that Judge Guerin gave Wood a phone number and asked him to call Allison and see if that was satisfactory; and further that Allison thereupon authorized the purchase and stated he would mail in the check. This testimony refers to the transaction of the overcoat and suit which Judge Guerin sets out in his hereinafter mentioned public statement.

Judge Guerin informed the members of our sub-committee, John G. Mott and Dana R. Weller, that about Christmas time of 1931, he was walking along the street with Mr. Allison when a sale of suits and overcoats was discussed, and that Judge Guerin stated to Allison that he was not in a position to purchase an overcoat, although he needed one badly, and that because of heavy expenses incurred in sickness and other things he felt unable to indulge himself at that time; that after some discussion Allison made the suggestion that he would advance the money for the purpose of purchasing an overcoat for Judge Guerin, which the latter accepted, giving Allison his postdated

check, and that he paid the check when it became due.

On or about April 2, 1932, Judge Guerin issued a signed public statement printed in the newspapers in which he alleges that in addition to the suit of clothes which he received as a gift from Allison, he received the above overcoat and a suit of clothes purchased for him by Allison from Wood Bros., the overcoat and latter suit not being a gift, but that Allison advanced the money for him, and he says he repaid Allison for the one suit and the overcoat a few days prior to Christmas 1931. No other proof of repayment was offered by Judge Guerin. In regard to that transaction, Judge Guerin asserted that he did not have any idea that receivership funds were to be used. The Committee agrees with him that it hardly could be believed that he would have suspected that fact. In his statement to our sub-committee on March 18, 1932, Judge Guerin did not mention the second suit of clothes, but did refer to the purchase of the overcoat, and stated he gave Allison a postdated check for it and paid it when due. It is possible that in discussing the incident with the sub-committee he treated the matter of the advance by Allison for the overcoat and suit and the giving of the postdated check, as a single incident, and overlooked mentioning that the extra suit of clothing was also involved in the transaction. Judge Guerin told the Committee he had paid Allison in currency, but did not have the postdated check, as he trusted Allison and thinks he, Judge Guerin, did not bother to get his postdated check back when he paid it.

Judge Guerin's son-in-law and the latter's wife for several months occupied an apartment held by the receivers under their said appointment, but Judge Guerin claims that they rendered services to the receivers of value equal to the rental value, and that they made their arrangements without his knowledge. We have no evidence before us warranting a conclusion that there was anything improper in connection with the occupancy of the apartment by Judge Guerin's relatives, although it is difficult to believe, in view of all the surrounding circumstances, that the occupancy of the apartment was entirely detached from Judge Guerin and without his knowledge. Judge Guerin occupied an apartment in the same apartment house for a third of a month and paid the reasonable rental for the period of such occupancy.

We have been informed that on the 14th of January, 1932, Judge Guerin and wife and Showalter and wife attended a dinner together, and Showalter states that during the evening Judge Guerin suggested that Showalter and he walk down to the corner for cigars. They did so, and on the way Judge Guerin asked Showalter to loan him $100.00. Showalter told Judge Guerin he had no check on his account with him, but procured a check of The First National Bank of El Segundo, and with pen made it over on the Westside State Bank, Los Angeles, payable to the order of Walter Guerin, in the sum of $100. It is dated 1/15/32, is endorsed "Walter Guerin", and was deposited in the Pomona Branch of the Bank of America. At the time the check was handed Judge Guerin, he tore a page out of his notebook, which bears the printed date "Friday, January 15", and wrote thereon as follows:

"Jany 14-32
"on demand I promise to pay A. J. Showalter one Hundred dollars Int 7%—
Walter Guerin"

The above instrument was then delivered by Judge Guerin to Showalter, a photostatic copy thereof, together with photostatic copy of the above check and endorsement, being now in our possession. The note has not been paid. Judge Guerin's statement to the whole Committee on April 8, 1932, was substantially as above, except that he stated his son was very ill, and that Showalter suggested the loan.

During the sub-committee's interview with Judge Guerin on March 18, 1932, he made no reference whatsoever to the above loan, and from outside sources we received evidence of it shortly after the above interview with him. In his public statement of April 2, 1932, Judge Guerin mentions and explains the $100.00 loan from Showalter. The Committee is of the view that Judge Guerin's withholding of this information from the sub-committee was not inadvertent.

Examination of the Court records of this County shows that Judge Guerin appointed Charles F. Allison and A. J. Showalter co-receivers in four suits connected with American Mortgage Company matters; that in two other of such suits he appointed L. C. Busby and A. J. Showalter as co-receivers, on October 30, 1931. Busby was then a director of Washington Commercial & Savings Bank in which Judge John L. Fleming was and is interested.

Such examination also shows that in the suit of Julian v. Schwartz, No. 315,345, pending in the said Superior Court, and in which Charles F. Allison was sole receiver, Judge Guerin on January 8, 1932, made an order denying a motion to reduce receiver Allison's compensation from $1,000 per month to $500 per month, denying reduction of compensation of the receiver's attorney from $500 per month to $250 per month, and denying a motion to discharge receiver Allison and to appoint some one in his place. The order was made with prejudice.

The above matter was pending before another Judge sitting temporarily in Department 8, and Judge Guerin who was sitting in another department, stated to the other Judge that he, Judge Guerin, had been sitting in some of the matters which were connected with the case, and, if there was no objection, he would come to Department 8 and hear the above mentioned matter when it came up. Judge Guerin was then trying an important will contest, and came into Department 8, where the other Judge was sitting temporarily, and specially heard the above receivership matter in the Julian v. Schwartz case, while the other Judge left the bench and worked in Chambers. The latter assumed that there were proper and legal reasons for Judge Guerin's wish to personally handle the hearing.

Previous to the above hearing, Judge Guerin had in said case of Julian v. Schwartz, on May 1, 1931, allowed Allison $1000 receiver's fees, and a like amount on June 26, 1931. Also, Judge Guerin therein on June 17, 1931, and on June 26, 1931, and on November 27, 1931, respectively, made orders approving the receiver's reports.

Judge Guerin explains his handling of the

above hearing on January 8, 1932, in Julian v. Schwartz, by stating that the matter had been previously before him and had been continued in order for the parties to try and get together on one phase of it, and that he was, therefore, the logical one to handle the hearing. He further said he had at the hearing brought about the dismissal of an employee acting under the receiver and thus made a saving.

Judge Guerin informed the sub-committee that he had not appointed Allison in American Mortgage Company cases. This statement is contrary to the record, as above set forth. He also stated that his only connection was when the matter of the attempted removal of Allison as receiver and objection to the receiver's compensation, as well as the expenses incurred by him, was brought before the Court, whereupon he acted according to his best judgment in denying Allison's removal or any reduction in regular compensation already theretofore fixed by another Judge, and which, from the evidence produced, he could see no reason for changing.

It has been brought to our attention that in the case of D. R. Morrow v. Barnhart-Morrow Consolidated Company, Judge Walter Guerin appointed Ralph S. Armour as receiver on July 28, 1931. Mr. Armour, when questioned, stated that at the time of his appointment Judge Guerin suggested to him the employment of Mr. Arthur Guerin as attorney for such receiver. Following this, on September 3, 1931, Judge Dailey S. Stafford, according to the record, made an order approving the appointment of Mr. Arthur Guerin and another attorney, as attorneys for such receiver, and on December 16, 1931, Judge Gates made an order allowing the receiver $1500 on account of his attorneys' fees. Judge Guerin stated to our Committee that he had no recollection of suggesting the appointment of Mr. Arthur Guerin as attorney for the receiver, stated he was acquainted with Arthur Guerin, had corresponded with him before he came to California, and had traced a distant relationship. Judge Stafford, when questioned by the Committee, said he had no recollection of making an order designating Arthur Guerin as attorney for the receiver, and said that if he had done so it was probably at the suggestion of the receiver, and not by reason of any suggestion of Judge Guerin to Judge Stafford.

Judge Guerin in his statement to our sub-committee on March 18, 1932, said that he had met Allison in the latter part of 1930, in connection with Judge Stafford's campaign, and that his relationship with Allison had not been intimate, although he had met him several times thereafter. The following letter in Judge Guerin's handwriting sent to Judge Walter Gates on February 4, 1931, shows how careless Judge Guerin was, to say the least, in recommending Allison for a substantial receivership without greater acquaintance and knowledge of his qualifications than that stated to our sub-committee.

The letter is as follows:

"CHAMBERS OF
THE SUPERIOR COURT
LOS ANGELES, CALIFORNIA
WALTER GUERIN, JUDGE

2/4/31

"Hon Walter Gates
Dept 8 - Sup Court
"Dear Walter—I understand that you are contemplating appointing a receiver for the U. S. Guarantee Co & that you have in mind Charles F. Allison for the job. I have known him for a long time & believe he will give you honest & efficient service—

Very Sincerely
Walter Guerin"

With regard to the gift to him of the suit of clothes by Allison, Judge Guerin told the sub-committee in substance that he felt he had been the victim of misplaced confidence, that he had no reason to believe that Allison and Showalter were not men of the highest type or that they were not conducting their receiverships in a proper manner, and he felt that the use of receivership funds with which to pay for what he assumed were personal gifts was an abuse of his trust and confidence; further that nothing that had transpired between him and either of the receivers had in the slightest degree affected his judicial action.

Judge Guerin claimed to our sub-committee that he felt there was something ulterior in the disclosures concerning him, as he had been approached sometime previous to the newspaper reports, by a person representing himself to be a supporter of Buron Fitts for election as District Attorney, and had been advised that he had better not attempt to make a race for that office, because any Judge who ran would be exposed to unpleasant publicity and severely punished for his presumption.

RE JUDGE DAILEY S. STAFFORD.

Judge Stafford is alleged, amongst other things, to have permitted Charles F. Allison, while the latter was acting as a receiver in numerous actions pending in the Superior Court, of which Court Judge Stafford is a member, to pay Judge Stafford's personal bill at Dyas & Co. in the sum of $43.82. The Committee was unable to interview Judge Stafford until April 1, 1932, as he was sitting in San Diego County. Allison, at the time involved in the transaction concerning Judge Stafford, was a receiver in various actions pending in this County. According to Judge Stafford, Allison offered to make the above loan to Judge Stafford at a time when a bank had failed in which Judge Stafford had his funds, and, after the loan had been made, Judge Stafford states he repaid Allison the amount thereof.

Our Committee has checked copy of the Stafford account with B. H. Dyas Corporation, from which it appears that on September 25, 1931, there was a balance unpaid on that account of $43.82, and that on October 30, 1931, said balance was paid. We have also seen a copy of the Dyas Corporation credit of the above payment, dated 10/30/31, and which is stamped as No. 11457.

The above amount of $43.82 was paid by check of A. J. Showalter and Charles F. Allison, to "Dyas", as payee, dated October 29, 1931, and drawn on Westside State Bank, Los Angeles, this account being a so-called special account of Showalter and Allison, receivers. It was therefore paid out of the receivership assets. The check was endorsed by B. H. Dyas Corporation on October 31, 1931, and went through the Clearing House. This check bears the printed signatures of A. J. Showalter & Charles F. Allison, and below said printing appear the purported personal

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912,

Of the Los Angeles Bar Association Bulletin published monthly at Los Angeles, California for April 1, 1932.

State of California, County of Los Angeles as.

Before me, a Notary Public in and for the State and county aforesaid, personally appeared J. M. Boyd, who, having been duly sworn according to law, deposes and says that he is the Business Manager of the Los Angeles Bar Association Bulletin and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:
Publishers Los Angeles Bar Association, 1124 Rowan Bldg., Los Angeles, Calif. Editor Birney Donnell, 511 Citizens Nat'l. Bank Bldg., Los Angeles, Calif. Business Manager J. M. Boyd, 241 E. 4th St., Los Angeles, Calif.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)
The Los Angeles Bar Association, an unincorporated association, composed of members of the Los Angeles City and County Bar. Address: 1124 Rowan Bldg., Los Angeles, California.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is ———. (This information is required from daily publications only.)

J. M. BOYD.
(Signature of editor, publisher, business manager, or owner.)

Sworn to and subscribed before me this 2nd day of April, 1932.
BLANCHE B. HALDERMAN.
(SEAL) (My commission expires Jan. 5, 1935)

signatures of Allison and Showalter. The Committee was informed by Judge Stafford that the loan was repaid, and this was partially verified by Allison, but no evidence was presented that the funds went back into the assets of the estate. We find nothing to indicate that Judge Stafford had any knowledge that receivership funds were to be used in paying the above bill. Judge Stafford's written explanation of the transaction substantiates the above data. However, in addition Judge Stafford states that he did not ask Allison to pay the bill, but that Allison voluntarily offered to do so. Judge Stafford in his written statement says that he repaid Allison sometime in December, 1931, or January or early February, 1932.

The Committee designated Arthur M. Ellis and Ward Chapman to interview Judge Stafford, and, as he was in San Diego, presiding at a trial, the above members sent him a telegram on March 18, 1932, reading as follows:

"Los Angeles, California,
March 18, 1932.

"Judge Dailey S. Stafford,
Dept. 3 Superior Court,
County Court House,
San Diego, California.

Board of Trustees Los Angeles Bar Association directs Judiciary Committee to investigate reports concerning alleged acceptance from receivers of gratuities by certain superior court judges including yourself. Committee has resolved that in fairness requests be made for statement of facts by each, so that Committee shall not be dependent on newspaper reports or other hearsay. Stop. Of course you are familiar with the published statements concerning advancement of money to you and your wife by Receiver Allison and clothing for you by Wood, and your reported reply. Stop. Judiciary Committee has appointed undersigned as sub-committee to request of you affirmance or disaffirmance of newspaper reports attributing to you admission of having accepted favors and loan from Allison, and that you accompany your reply with any further statement of circumstances that you may desire to make so that Committee may be authentically informed. Stop. As Committee convenes five o'clock this evening for consideration of these matters, immediate reply by wire, collect, addressed to either of undersigned, care of Los Angeles Bar Association, Rowan Building, Fifth and Spring, is urgently requested.

ARTHUR M. ELLIS
WARD CHAPMAN"

To the above telegram there was received March 18th a reply telegram from Judge Stafford as follows:

"1932 MAR 18 PM 12 42

"BYB28233 DL-B9015-San Diego Calif
18 1228 P

"ARTHUR M. ELLIS, WARD CHAPMAN-
Care Bar Association Rowan Bldg Los A-

"I SHALL BE PLEASED TO MAKE TO YOUR COMMITTEE A FULL AND COMPLETE STATEMENT AND ALSO TO ANSWER ANY AND ALL QUESTIONS TOUCHING EITHER UPON MY OFFICIAL OR PRIVATE CONDUCT WHILE A JUDGE-

DAILEY S. STAFFORD."

Nothing further being heard from Judge Stafford, and efforts on our part to get in personal touch with him having failed, on March 30, 1932, the sub-committee wrote him at San Diego a lengthy letter giving him a full statement of all facts in our possession concerning the charges against him, including numbers and titles of cases, reference to his appointment of his campaign worker, Dorothy Manasse, as a receiver, details of the gift to him by Allison of an overcoat, details of Allison's personal contribution to his campaign, and other matters. Judge Stafford thereafter met with our sub-committee, Arthur M. Ellis and Ward Chapman, and, in addition to the interview, dictated and signed a written statement of facts, and, supplemental thereto, answers to certain specific questions, all of which are hereinafter referred to.

There had been reports to the effect that Judge Stafford received from said Charles Allison a suit of clothes as a gift. Newspaper reports at the time purported to quote Judge Stafford as denying that he received any suit of clothes from or through Mr. Allison, and no facts have been presented to this Committee showing that Judge Stafford received a suit of clothes.

At an ex parte hearing before Referee Ralph H. Moore, on March 9, 1932, in the case of Title Guarantee & Trust Company v. Fred Graf, et al., No. 325,734, pending in the Superior Court of this County, a witness, Jess Wood, was examined and testified in substance as follows:

That on December 18, 1931, Judge Stafford called on Wood and said that he, Judge Stafford, was to be given a fifty dollar overcoat as a Christmas present, that he wanted to pick it out, and if he found what suited him he would give Wood the name of the person to call up; that Judge Stafford selected a $42.50 overcoat and gave Wood a phone number and told him to ask for Mr. Allison, who turned out to be Charlie Allison; that Wood explained to Allison that Judge Stafford had selected an overcoat, the price of which was $42.50, and that thereupon Allison authorized Wood to make the sale to Judge Stafford, and stated that he, Allison, would pay for the overcoat; that Wood was paid by check No. 195 drawn on the Showalter and Allison special account for $42.50 in favor of Jess Wood, and that the check was received on December 19, 1931, and was in payment of the overcoat chosen by Judge Stafford.

Your Committee has no information indicating any knowledge on Judge Stafford's part that receivership funds would be used in paying for such overcoat.

We have examined a copy of a record made by the Jess Wood establishment of the above alleged sale of the overcoat, and find the substantial parts of the office record are as follows:

"Date 12/18/31.
Name Chas Allison for Judge Dailey Stafford
Superior Court
Sold by 4
O'Coat S 7026 42.50"

The record is stamped "Paid Dec 19 1931", and opposite are the figures "42.50".

Judge Stafford's statement to us shows the overcoat was a Christmas gift from Allison; that he had an overcoat stolen, mentioned it in

his chambers while Allison was present, and that Allison stated he was going to give Judge Stafford a Christmas present anyway and offered to present the overcoat. Judge Stafford states that he told Wood Bros. at the time that if Allison didn't pay for it he, Stafford, would.

According to statement made by Judge Caryl M. Sheldon to our sub-committee, Judge Sheldon said he was introduced to Allison by Judge Stafford, in 1930, during Judge Sheldon's campaign for election, and that Judge Stafford had told Judge Sheldon that Allison was well connected and had many contacts that might prove valuable to Judge Sheldon in his election. Judge Sheldon further stated that Allison became a frequent social visitor to his Chambers and was seen socially and in and about Judge Stafford's Chambers which were on the same floor as Judge Sheldon's. The intimate relationship of Allison to Judge Stafford is hereinafter fully set forth,

A digest which we have had made of the records of appointment of receivers by the Superior Court of this County in connection with American Mortgage Company matters shows that in the case of Title Guarantee & Trust Company v. Feigenbaum et al., No. 325,612, Judge Stafford on September 17, 1931, made his special order naming the Westside State Bank as a depositary of receivership funds; that in T. G. & T. Co. v. Knickerbocker Holding Co., No. 324,434, on September 8, 1931, Judge Stafford made a special order with regard to renewal of fire inusrance; that in T. G. & T. Co. v. Lester, No. 325,262, on August 12, 1931, Judge Stafford denied a motion to discharge receivers; that in T. G. & T. Co. v. Feigenbaum, No. 325,764, on September 17, 1931, Judge Stafford made a special order naming Westside State Bank as depositary; that in T. G. & T. Co. v. Associated Real Estate Owners, No. 325,857, Judge Stafford on August 15, 1931, approved receiver's fees of $500; that in T. G. & T. Co. v. Knickerbocker Holding Company, No. 325,656, on August 6, 1931, Judge Stafford denied defendant's motion for a restraining order, and on September 10, 1931, designated Westside State Bank as depositary; that in T. G. & T. Co. v. Graf, No. 325,734, on August 19, 1931, Judge Stafford issued a contempt order, and on September 3, 1931, designated the Westside State Bank as depositary. In all the above Allison was one of the receivers. Judge Stafford states his orders were mere matters of court routine.

There are other orders by Judge Stafford in Allison receivership matters. For instance, in T. G. & T. Co. v. Consolidated Hotels, Inc., No. 336,016, Judge Stafford on March 4, 1932, appointed Charles F. Allison and A. J. Showalter as receivers. Judge Stafford says this was a small receivership and that he, of his own volition, added Allison's name to Showalter's because he understood they had been acting together, and it would cost no more for the two.

In the case of Julian v. Schwartz, No. 315,345, the records show that Judge Stafford on August 21, 1931, made an order allowing the receiver therein, Charles F. Allison, receiver's fees of $1000, said amount being the fees per month which were being allowed the receiver; and on the same date approved the receiver's report.

In the above mentioned proceedings, except Julian v. Schwartz, supra, where Allison was sole receiver, Allison and A. J. Showalter were the co-receivers.

Examination of the records shows that Judge Stafford appointed one of his most active campaign workers, Dorothy Manasse, as receiver in three suits, viz.: Isaac v. Jones, No. 325,523, on July 29, 1931; Isaac v. Jones, No. 326,493; and in Pacific States Auxiliary Corp. v. Cummings, No. 326,802. Judge Stafford stated to the sub-committee that Dorothy Manasse was a college graduate and made an able receiver.

From the candidate's return on file in the County Recorder's office of this County it appears that Dorothy Manasse was paid $335.78 for her services as a campaign worker for Judge Stafford in connection with his election as a Superior Judge of Los Angeles County.

Charles F. Allison, during Judge Stafford's said campaign, represented himself to be Judge Stafford's campaign manager, and, according to the said records of this County, he contributed $500.00 to Judge Stafford's said campaign. Allison states that he raised between $25,000 and $30,000 for Judge Stafford's campaign for election as Superior Judge.

Judge Stafford stated that Allison had not only not raised any such sum, but that his total campaign had not cost even $10,000.

Judge Stafford's statement to us shows that Allison was a close friend and a campaign worker for him in 1928, and again in 1930, and that in Stafford's campaign for the Superior Court in 1930, Allison worked virtually every day and night with Judge Stafford at his campaign headquarters, handled campaign funds, contributed money himself, paid Stafford's campaign bills out of money he, Allison, collected or contributed himself, and enjoyed Judge Stafford's confidence. He does not state the extent of Allison's contributions to his campaign. Judge Stafford states, however, that Allison was not his campaign manager.

Two of the specific questions and answers signed by Judge Stafford were as follows:

"Q. Have you ever considered Mr. Allison to be a man of sufficient experience and business acumen to qualify him to be the receiver of any intricate or important business?

A. No.

Q. Did you at any time ever recommend his appointment as a receiver to any other Judge?

A. No."

It is inconceivable to the Committee how Judge Stafford could have stood by, as a member of the Court, and permitted Allison's appointment in many, or any, receiverships, or could have appointed him in any case, or made an order for $1000 monthly compensation as receiver, with the knowledge of Allison's qualifications indicated by Judge Stafford's foregoing specific answers. Moreover, Judge Stafford told our sub-committee that he never considered Allison as the type of man one would select as a receiver or administrator; that he believed in his integrity, however, and that Allison was a good man in campaigns.

The Committee's information was that Allison was first appointed by Judge Gates on February 26, 1931, and it was not until several hours after Judge Stafford delivered his signed statement to this Committee that we procured a copy of the following letter, in Judge Staf-

ford's handwriting, that shows that Judge Stafford in fact recommended to Judge Gates the appointment of Allison as receiver. The letter is undated, but we are informed that it was delivered in the early part of February, 1931, at about the same time that Judge Gates received a somewhat similar written and dated recommendation of Allison from Judge Guerin. The letter is as follows:

"CHAMBERS OF
THE SUPERIOR COURT
LOS ANGELES, CALIFORNIA
DAILEY S. STAFFORD, JUDGE

"Dear Walter:

"It would please me if you would appoint Charles Allison to a good receivership. I believe himself thorough capable and qualified.

Dailey"

Judge Stafford stated to our Committee that the letter was his but he didn't recall sending it.

As showing the attitude of some of the Judges towards the receivership question, the following from Judge Stafford's statement to our Committee is significant. Judge Stafford states:

"I assumed he (referring to Allison) would be worthy. He was well acquainted with numerous judges, having aided them in one way or another in their campaigns. Through these acquaintanceships I have no doubt but that he was able to *induce* judges to grant him these receiverships, because there is one outstanding requisite in appointing a receiver, which is that the man or woman be well-known to the judge, or come very highly recommended by responsible persons." (Italics ours.)

In closing, we wish to set forth that Judge Stafford in his statement to us emphasized that he has been presiding over courts for nearly twenty years and has never been criticized for bias or favoritism; that some of the lawyers who aided him in his last campaign have tried cases before him and lost their cases, expecting nothing more than a fair trial and a patient and courteous hearing. He emphasizes also that under our election system it is inevitable that a judge must choose those friends whom he has come to know and has confidence in, for positions of trust. Judge Stafford feels it may have been unwise to accept gifts and loans from a receiver, but that, if he has committed an ethical error, he was not conscious of any wrongdoing. He believes, he says, that this whole matter was actuated by political jealousy and manipulation, and points to an article he published last September in the local law journals, which he claims was uncomplimentary to the old system. He says further that the old system was a receivership oligarchy, with one man parcelling out the work of receiverships to a favored group, regardless of qualifications.

RE JUDGE CARYL M. SHELDON.

Judge Sheldon is charged with having received from Charles F. Allison a suit of clothes. Allison was until recently a co-receiver with A. J. Showalter in 23 receiverships, and co-receiver with E. A. Adams in 11 receiverships—all connected with American Mortgage Company affairs, and filed in this County. This number is without reference to other actions in which Allison was appointed as a receiver.

The suit of clothes received by Judge Sheldon was paid for out of the Showalter-Allison special receivership account by check hereinafter referred to, and the funds were assets of the receivership estate.

Judge Sheldon claims he did not know the suit was paid for, or to be paid for, out of receivership funds. He states he won the suit from Allison on the outcome of a ball game, but does not refer to it as a bet; merely that, if his team won, Allison was to buy him a suit; whereas, if Allison's team won, then Judge Sheldon was to buy Allison a suit. We cannot distinguish the alleged facts from what is commonly known as "a bet", but, for the moment, it is quite immaterial whether or not the alleged facts be said to constitute a bet. We will so designate it. Judge Sheldon claims as witnesses to this bet his court clerk, court reporter, and his bailiff. Neither has been interviewed, and we are assuming they will support his story of the transaction. The alleged bet was made, according to Judge Sheldon's statement, early in October, 1931. Previous to that time Allison and Showalter had been appointed co-receivers in numerous suits in connection with American Mortgage Company properties.

Two witnesses, Judge Walter Gates and Mr. E. A. Adams, state that immediately following the newspaper revelations of the Sheldon suit incident, in a conversation they had with said Allison, the latter stated, in substance, that he and Judge Sheldon had "framed" the betting story, and that it was not true; that the suit was in fact a gift from Allison to Judge Sheldon. Judge Gates in that conversation called Allison's attention to the fact that the bet was an illegal act, and Allison was thereupon visibly perturbed, and remarked in effect that Judge Sheldon should have known of that when they fixed up the story. Mr. A. J. Showalter made the statement that Allison and Judge Sheldon stated when he met them that it was a bet, and further says that the check later signed by him was one of many hundreds of checks and that he did not know it was in payment of the suit for Judge Sheldon. In view of a somewhat equivocal statement by Allison to two members of the Committee to the effect that he considered it a bet, it is difficult to appraise the evidence. From the words and manner of Allison during an interview with him by said two members of this Committee, we gather that Allison would not state that it was a "bet" if he felt that thereby the results would be most injurious to Judge Sheldon. It seems to us that the evidence balances slightly in favor of it having been a wager, rather than a gift.

With regard to the alleged bet, Judge Sheldon says Allison at a time previous thereto had mentioned that he had already won two suits of clothes on the baseball series, and that when the bet was made he remarked to Allison that he expected to receive, if his team was victorious, one of the suits Allison had already won on the series.

Judge Sheldon at that time knew that Allison was acting as a receiver under Superior Court appointment.

Judge Sheldon stated, also, that a few days after the bet his bailiff saw Allison and said to him, "The Judge won his bet—when will you pay off", and that shortly thereafter Allison phoned the Judge or called on him, giving the

name of the tailor who was to make the suit. Thereupon, the tailor called on Judge Sheldon with samples of cloth which were referred to Mrs. Sheldon, and Judge Sheldon and Allison went to the tailoring establishment and there or on the way met Mr. Showalter. Judge Sheldon says this was his first acquaintance with Mr. Showalter, and he then, he says, learned that Allison and Showalter were co-receivers, and that Showalter owed the two suits to Allison and would deliver one of them to Judge Sheldon; that Showalter, with Allison's approval, directed the tailor to make up the suit and it was thereafter delivered to Judge Sheldon. According to report of Referee, Ralph H. Moore, in the Superior Court action of Title Guarantee and Trust Company v. Graf *et al.*, No. 325,734, Eugene Eyraud, at Showalter's direction, took the measurement of Judge Sheldon for his suit and had the suit made up by a tailor named Nile Corn; and it appears therefrom that Eyraud received payment for the suit by a check drawn on a joint bank account of A. J. Showalter and Charles F. Allison, the check being for $65,00, drawn to Eyraud, on Westside State Bank, of Los Angeles, and endorsed and cashed by Eyraud. The check was either one dated 10/31/31 or one dated 11/6/31, and on the face of the check purported to show that it was made to the payee for "inspection". Eyraud by his affidavit of March 9, 1932, in said action states that the check was for the suit of clothes made for Judge Sheldon and that he, Eyraud, never did any "inspection" work for Allison or Showalter for which they would be paying him any money. We have no information indicating that Judge Sheldon ever knew that the suit was to be paid for out of funds of any receivership.

Judge Sheldon stated to the sub-committee that he was not conscious of any wrongdoing in the foregoing transaction. He further stated that he had never appointed Allison to any receivership, nor directly or indirectly had any other connection with Mr. Allison's receiverships, nor with his action or transactions as receiver.

A careful check of all receiverships in connection with American Mortgage Company matters does not show any instance when Judge Sheldon made any order appointing Allison or Showalter or any other person a receiver, nor does such investigation disclose that he made any order or had anything to do as a Judge with any of such receivership proceedings. However, we do find one action (not an American Mortgage Company matter) in which on April 14, 1931, Judge Sheldon appointed Charles F. Allison as a receiver. This is the case of West v. West, No. D-79,303. It was a minor case. Allison volunteered to act as receiver without compensation, and did so act.

As the above appointment of Allison as receiver by Judge Sheldon was nearly a year ago, it is possible, and the Committee feels satisfied, that Judge Sheldon had forgotten the incident at the time he was interviewed by your Committee.

Judge Sheldon states he was introduced to Allison during Judge Sheldon's campaign for election as Judge of the Superior Court in the year 1930, and that Allison called a number of times at Judge Sheldon's campaign headquarters, offered his aid, made suggestions, and put Judge Sheldon in touch with a number of people. Judge Sheldon did not state, and was not asked, whether Allison made any contributions to Judge Sheldon's campaign. Allison did, however, actively work for Judge Sheldon's election. Further, Judge Sheldon stated that the acquaintance developed into a social relationship of their families, and Allison also became a frequent social visitor to Sheldon's chambers after the election, and frequently at lunch joined Judge Sheldon and his bailiff, clerk, shorthand reporter, and the Judge's former Municipal Court Clerk.

In Judge Sheldon's case your Committee brings to your attention the fact that he is publicly reported as having expressed a willingness to place his resignation in the hands of the Judicial Council of this State, to abide the result of that body's determination respecting charges made of his conduct in the premises.

RE JUDGE JOHN L. FLEMING.

Judge Fleming was Presiding Judge of the Superior Court of this County from January 1, 1931, to December 31, 1931.

From examination of records in the County Clerk's office we find that in matters connected with the American Mortgage Company Judge Fleming appointed Allison and Showalter as receivers in some 11 cases; L. C. Busby and Showalter in 3 cases; J. C. Parsons and Showalter in one case; Ed Adams and Showalter in 9 cases. There were other appointments by Judge Fleming not necessary to state here. Busby was appointed as co-receiver in 7 of the above cases. An incomplete check of other receivership matters shows this same Busby a receiver in 2 proceedings not connected with the American Mortgage Company, in one of which he was appointed by Judge Fleming, and in the other by Judge Stafford.

It was stated to the Committee by a responsible lawyer at this bar that in the first appointment of this series of receiverships he endeavored to procure the appointment by Judge Fleming of A. J. Showalter as sole receiver in the case, because those interested believed him to be the logical man for receiver, but that Judge Fleming, after definitely agreeing to appoint Showalter, attempted to appoint Charles Allison as sole receiver, and, failing in that, insisted that Allison be co-receiver. Judge Fleming's statement is to the effect that he was asked by said lawyer to appoint Showalter, and also had presented to him the written request to that effect of the plaintiff, Title Guarantee and Trust Co., but that he, Judge Fleming, did not know Showalter, and, as the accounting would be very complex, he thought it would be only fair to appoint a co-receiver with whom he was in touch, and so suggested Allison, who had been very highly recommended to him; that the lawyer thought the suggestion a very good one and immediately acquiesced in it.

Another reputable lawyer informed the Committee that in another case he insisted upon appointment of Showalter alone and that only after considerable insistence on his part did Judge Fleming consent not to appoint Allison as co-receiver.

Judge Fleming stated to the Committee that he as Presiding Judge made appointments of receivers out of Dept. 1, when the matter was

ex parte or one of agreement or consent of counsel.

On the other hand, the record shows several instances where the order to show cause which should have been returnable to Dept. 8, was changed and made returnable to Dept. 1 where Judge Fleming was presiding. Judge Fleming also refers to similar instances.

We are informed that lawyers in some instances to avoid having Allison appointed receiver on *ex parte* hearing asked for orders to show cause returnable in Dept. 8, but that Judge Fleming caused the return to be made in Dept. 1, and thereupon appointed Allison as co-receiver. A like situation appears from the record in case No. 329,305, where Busby was appointed co-receiver by Judge Fleming. All information presented to us would indicate that the appointment of Allison as a co-receiver, or as a receiver, was neither necessary nor desirable. If any receivership was considered complex, or requiring special training or experience, Allison was not by any means a logical selection to fill the position. In fact, everything points to the fact that Allison's sole qualification was his supposed political influence and his assistance of Judges in their campaigns. It is possible that Judge Fleming was influenced in his insistence on Allison's appointments by recommendations from other Judges who wished to favor Allison. But there was nothing in Allison's past accomplishments that merited recognition. The exchange of courtesies between some of the Judges regarding appointment of receivers is well shown by reference to the conference held at the time of the Fleming-Crawford incident, between Judge Fleming on the one hand, and Mr. W. J. Hunsaker and George P. Adams, as members of the Judiciary Committee. At that time Judge Fleming stated that Judge Guerin had placed the name of one Jacobson in the Grand Jury box from which members of the Grand Jury were drawn, and that later Judge Guerin requested Fleming to appoint Jacobson to a receivership. Judges Gates has stated that on two occasions Judge Fleming requested Gates to appoint the same Jacobson as a receiver, but that Gates refused. In other words, there has been a practice of appointing receivers as favors, or to satisfy some colleague, rather than to exercise wise and independent judgment in making the selection.

Judge Walter Gates has told us that the reason Judge Fleming would not for a time make orders to show cause for appointment of receivers returnable in Dept. 8, where Gates presided, was because Judge Fleming insisted that Judge Gates appoint as receiver L. C. Busby, a director of the Washington Commercial & Savings Bank, in which Fleming was interested and of which Fleming had been President; and Judges Gates refers to two conversations—one in Judge Fleming's Chambers and one in his own—where such conversations were had.

Judge Gates says he continued to refuse to appoint Busby, and the record bears out that he did not appoint him.

It is shown, therefore, that Judge Fleming not only himself appointed Busby as co-receiver, but it is apparent that he was responsible for his appointment also by other Judges.

Busby was and is a director of the above bank and Vice-President thereof; and Judge Fleming states that Busby was manager of a Building and Loan Association in which Judge Fleming was interested at the time of its successful liquidation. Judge Fleming states that he personally withdrew from the Bank as President, director, and in fact all active connection, last summer. This was due to the matters following the so-called Fleming-Crawford letter with which your Board is familiar. Judge Fleming attributes his withdrawal to the advice of members of the Judiciary Committee of your Association who conferred with him at the time of the Crawford episode.

However, it is clear from the facts presented to us that Judge Fleming continued to take an active interest in the Bank's welfare. Out of 500 shares of stock Judge Fleming owns 106 shares, but they stand of record in the name of said L. C. Busby. Judge Fleming had also been associated with Busby in the affairs of a mining company. The facts show an intimate business and social relationship between Judge Fleming and Mr. L. C. Busby, long continued and existing while Busby was acting as receiver.

Judge Fleming insisted to the sub-committee that he had received no gift from any receiver, and no evidence has been presented to us indicating any such gift. However, it should be noted that Showalter told our Committee that he had paid, and not been repaid, Judge Fleming's expenses on a hunting trip which Judge Fleming, Showalter, Busby and another party took together up North. Judge Fleming maintains that he repaid Showalter his share of the expenses paid by Showalter. He also asserts that he has not been the recipient of any favor from any receiver (except instances where he recommended persons for employment), and that he wishes he had appointed Busby to more receiverships because he was an efficient and able receiver.

With regard to solicitation of deposits for the above Bank, Judge Fleming admits that he asked friends and several lawyers with whom he was well acquainted to deposit funds therein, but maintains that he always personally guaranteed the safety of the deposits. He specifically admitted, when asked concerning it, the deposit of $2000 in said Bank by a lawyer at this bar, made at Judge Fleming's request last winter while the Bank was experiencing some difficulties. The lawyer states he received no guarantee such as above referred to by Judge Fleming. In our view a guarantee by Judge Fleming would only tend to emphasize the unethical nature of his act.

In this connection, we find that Mr. L. C. Busby was very active about December, 1931, in procuring deposits for the above bank from his co-receivers and others. Allison as receiver caused some $23,000 of receivership funds to be deposited in the Bank, having procured from Judge Guerin an order which permitted deposit of such receivership funds in said Bank; and, when the Bank was said to be threatened with a run, Showalter admits depositing therein $2500 of receiver's funds, without any order of court, and states he deposited $5000 additional funds of himself and Harry Lyons—being funds held by them for others. Showalter claims that he was directly solicited by Judge Fleming to

obtain funds so to deposit, and that Judge Fleming insisted that he should deposit receivership money therein. On the other hand Judge Fleming vigorously insists that he had no knowledge that any receivership funds were deposited in the said Bank, and made no request for such deposit of receivership funds *from any receiver appointed by him.* From this we gathered that Judge Fleming meant he had suggested other receivership funds be deposited in his said Bank.

Mr. R. E. Allen, receiver in numerous cases, stated that Judge Fleming solicited him to deposit receivership funds in said Bank, in January, 1931.

The present president of the said Washington Commercial & Savings Bank is G. W. McCune. He is said to be a man of standing and business experience.

Judge Fleming states that he appointed him as a referee and that he is sorry he did not appoint him in many other matters as he considers him a most excellent man.

The appointment by Judge Fleming of Allison as a receiver in the above cases appears to the Committee to have been based not upon any particular qualification of Allison for the position, but upon Allison's previous activities as a campaign worker for Judges seeking election, and upon Allison's supposed political influence.

Mr. Roy E. Allen stated that Judge Fleming about August, 1931, told him he had appointed Allison a receiver on account of the latter's influence with a certain individual, naming a minister who has been politically active.

Mr. Allison is a young man—only 31 years of age—who had no particular experience or training fitting him for handling receiverships. He claims to have made and lost a hundred thousand dollars on the stock market, and is very frank in stating that, observing the opportunity to obtain receiverships, he knowingly worked his way into the favor of judges; raised money to elect some of them; spread gifts amongst the attaches of the Court and among newspaper men; and generally built up a personal, social and political contact with certain members of the Bench. To him it was a system or "racket", and, with the ideals of the salesman-promoter type, he went after the business, spreading gifts and favors along the way.

Mr. A. J. Showalter was questioned for the Committee concerning a check, of which we have photostatic copy, dated Feb. 19, 1932, for $350, payable to John L. Fleming, signed by A. J. Showalter (printed signature) by one Miller, agent of Showalter, and drawn on the Westside State Bank, Los Angeles, and endorsed "John L. Fleming". Showalter informed us that he bought from Judge Fleming 22 shares of the capital stock of Fleming's Bank, and paid $350 therefor. The check has written in the left margin "22 shares Wash. Coml & Savings Bank stock 350.00". Judge Fleming states to our Committee that he did not sell any stock to Showalter, that a Mr. Jensen, cashier of the bank, had a small amount of stock of his own up as collateral on a loan and wanted to raise $350.00, and made some arrangement with Showalter whereby the stock was sold; that Showalter in paying for the stock made the check out to Fleming, but sent the latter a note or message that Mr. Busby understood the transaction and for Judge Fleming to transfer the money to whomsoever it was due; and that Judge Fleming gave the money to Mr. Jensen. We conclude, in the absence of any further facts, that the transaction was as stated by Judge Fleming.

Judge Gates in his statement to our Committee said that on one occasion Judge Fleming asked him to make an order substituting Judge Fleming's bank as a depositary for receivers' funds in place of the Citizens National Trust & Savings Bank, but that he, Gates, refused. Thereafter Judge Guerin made an order in the same case providing that deposit of receivership funds might be made in either the Washington Commercial & Savings Bank *or* the Citizens National Trust & Savings Bank.

RE JUDGE GATES.

It was not until our study of these matters was nearly closed that charges involving Judge Gates were made. By letter, addressed to President Jennings, Judge Gates requested the Los Angeles Bar Association to investigate any charges made against him. Before receiving the request, we had already made some survey of his relation to the matter, but the further study necessitated and explains in part our delay in finishing this report.

At the time this Committee first began its work we called upon Judge Gates and asked him many questions pertaining to receiverships and the past and present practice in connection with appointments, and stated that we would expect to look into his connection with any matter that might involve him; and questioned him with that understanding. Judge Gates has freely answered all questions, and has promptly furnished data requested, whether such concerned him or others. He stated early that he had been warned not to take any action, and that some of those who would be involved in the audit and investigation he had ordered would attempt to strike back at him; but that he was going to make a thoro investigation whatever the result to himself, or whoever was affected. When charges were later made against him we were reliably informed that he immediately directed the referees and auditors who were working under him to treat the charges the same as all others and to obtain any evidence which they thought might support such charges.

One of the charges made was that Ed Adams, a lawyer, who was appointed a co-receiver in some 15 cases connected with American Mortgage Company matters (in 9 of them by Judge Fleming, 4 by Judge Gates, and the rest by other Judges) had requested his co-receiver, A. J. Showalter, to raise a fund of $1300 for campaign expenses for Judge Gates. Showalter asserts the above as a fact, and an associate of his, one Miller, in testimony before one of the referees, in considerable part corroborated Showalter as to the conversation. Showalter further states that in November, 1931, he signed and gave Adams two personal checks, each for $200, on one of which checks he noted "Adv.", and on the stub thereof "Adv. rec. fees", and on the other check is noted "Adv. on receiver's fees", and the stub bears the same notation. Adams cashed the checks,

and Showalter says that later Adams received and cashed a further check from Showalter for $125 for the same purpose. That one bears the notation "La Casa del Rey". Showalter claims the total of $525 was on account of the said campaign fund. Mr. Adams denies Showalter's statements and states the $525 was on account of fees, shows what appears to be his routine office record so indicating; and no evidence has been produced showing the receipt by Judge Gates of any portion of the money.

Judge Gates vigorously denies the whole matter. It would take considerable space here to give Adams' history of the transaction concerning the logical reasons for the advance by Showalter to Adams of the $525 on account of fees. Two newspaper men who kept notes of portions of their conversation with Mr. Showalter on March 13, 1932, state that Showalter showed them the checks in question and told them that the $525 was *not* paid for Judge Gates. We must, of course, make allowance for the possible fact that Showalter was purposely not desiring to tell the newspaper what he now states to be the facts with regard to the checks.

However, a member of the bar, whose relations with Mr. Showalter have been such as indicate him to be not in anyway prejudiced against him, has given us his statement to the effect that in his presence, at a meeting with Showalter, on March 15, 1932, Showalter made statements that clearly showed that Showalter did not then claim that he had ever made any contribution to Judge Gates.

It is a fact that Judge Gates and Adams were very friendly, and Judge Gates designated Adams as attorney for the new receiver recently appointed by Judge Gates to take the place of Allison and Showalter. Judge Gates vigorously denies he was raising or has raised any campaign fund, and offered us immediate inspection of all his files and bank account.

The evidence available is not sufficient to show that the checks were given Mr. Adams for campaign funds for Judge Gates, and there is no evidence even tending to show that Judge Gates received the money or any part of it, or that any part of it was expended for him.

When questioned Judge Gates admitted he had made at Christmas a present of a necktie, or necktie and handkerchief, to receiver Showalter, and to Allison, and that he had given some employees, at the court house, such as janitors and elevator boys, each a necktie.

Showalter made the additional charge that last Christmas he gave Judge Gates a $10.00 gold piece. Judge Gates denies that he received such gift. Comparing the statements of the two and their manner of assertion and denial concerning that matter, our member who interviewed both states he credits Judge Gates' statement. If there were any doubt about it, we would, in weighing the evidence, of necessity give consideration to the fact that Judge Gates deposed Showalter and Allison as receivers in many cases, has carried on a vigorous investigation of their acts, and that Mr. Showalter shows considerable feeling against Judge Gates.

Showalter stated that Judge Gates asked Showalter to give Gates' brother-in-law a job as painter working under the receivers—at $7.00 a day wages. Showalter gave him the job, and says the foreman only received $6.50 a day; that Judge Gates insisted he should pay the brother-in-law the $7.00 per day; and that Showalter reluctantly agreed and gave him the position. It is a fact that the foreman received $6.50 a day. Judge Gates admits that he requested receiver Showalter to employ his brother-in-law as a painter, but denies he asked him to pay him a larger wage than he was paying other painters. Also, Showalter claims Gates asked Showalter to give several persons jobs in the apartments held under receivership by Showalter. Judge Gates admits obtaining positions for several persons under Showalter, but denies that he asked for them any compensation beyond what was being paid like employees in similar jobs under the receivers; and further states that he told Showalter not to employ or retain any such person if he was not competent for the position. Judge Gates cites, as indicating his freedom from any influence by reason of recommending persons to such positions, the fact that he alone removed Showalter as receiver when the audit he ordered showed what he considered good grounds.

Showalter made the further charge that Judge Gates' brother-in-law and another employee of the receivers had taken paint and brushes of the receivership and had painted the kitchen in Judge Gates' home, to which the latter replies that he did not know anything of it until after the kitchen had been painted; that his brother-in-law had done the work on the latter's own time, on a Saturday afternoon, and that Judge Gates had no knowledge where his brother-in-law obtained the paint or brushes. While this might seem to be a trivial matter, we feel that it illustrates the danger of a Judge recommending a relative or any other person for employment by a receiver appointed by the Court.

Some of the recommendations of Judge Gates seem to have been to help needy persons. Others cannot be explained on that ground. Showalter asserted that he had received many letters from several different Judges asking him to employ persons recommended by them, and said that if he could locate them he would make them available to this Committee. We have not as yet received such letters, altho reliable evidence before us indicates some Judges engaged in the practice.

Judge Gates was questioned regarding his appointment of Roy E. Allen as receiver in many cases. Mr. Allen has specialized for several years in the business of acting as receiver, referee, commissioner, etc., and we find that in the years 1929, 1930, 1931 and 1932 he appears to have received more appointments out of the department of the Presiding Judge or Judges for those years than he received from Judge Gates. Several Judges sat in the Presiding Judge's Department in those years. His appointments appear to have arisen from the merit of his work and the apparent confidence of the Bench, and particularly by reason of his nomination by lawyers appearing in the various cases in which he was appointed. Mr. Allen has made a business of receiverships, has a large office organization and has applied business principles in obtaining receiverships and

in handling them. While there is something to be said in favor of centralization of receiverships, yet there are dangers under the present method of appointment that should be carefully considered.

CONCLUSIONS AND RECOMMENDATIONS.

The conclusions of this Committee are as follows:

I. As to Judge Walter Guerin, Judge Dailey S. Stafford and Judge John L. Fleming, it is our conclusion that each has conducted himself in his judicial office in a manner contrary to judicial ethics and prejudicial to the proper administration of justice. The actions of each of them constitute a violation of long and well-established principles governing judicial conduct, and directly concern the interests of the public which looks to the Court for the unprejudiced determination of the rights and obligations of litigants.

Their offenses are against the judicial office itself, and cannot be considered merely from the standpoint of the personal interest and fortunes of these three men. Their practices have of necessity seriously affected the good repute of the Bench at large and engendered the belief that litigants do not receive fearless and impartial consideration. This strikes at the very foundations of the administration of Justice.

It is our conclusion, therefore, that Judge Walter Guerin, Judge Dailey S. Stafford and Judge John L. Fleming should not be continued in judicial office.

II. As to Judge Caryl M. Sheldon, his act was highly improper, whether he accepted a gift or made a wager, but his relations with receiver Allison do not appear to have involved any Court proceedings, except in the one minor instance above cited in this report. We are not entirely convinced that he did not receive the suit of clothes from Allison as a gift rather than as the result of a wager. We do not at this time recommend that any action be taken towards his removal from his office, but that your Board hold the matter in abeyance and later take such action in his case as further investigation and developments may determine to be proper.

III. In the matter of Judge Gates, we conclude that his actions in recommending persons for employment by a receiver of the Court were indiscreet and improper, and are contrary to the Code of Judicial Ethics. However, Judge Gates initiated the investigation which brought about this inquiry, and has acted vigorously in removing receivers charged with irregularities. Judge Gates removed the receiver to whom he had recommended persons for employment.

In view of these and other circumstances shown in this report we recommend no further action in his case.

IV. We make the following additional recommendations to your Board.

1. That every effort be made by the Los Angeles Bar Association, in conjunction with the judiciary, to provide by law for the selection of a Presiding Judge of said Superior Court with full power to organize, supervise, direct, and distribute the work of the Court and its various Judges. Such a Presiding Judge should be highly qualified for the work, selected for an ample term, and be free of political influence.

2. That the Association attempt to bring about the revocation by the Judges of the rule of seniority, under which rule Judges claim the right to occupy certain departments, and under which rule the Presiding Judge is selected by his associates on the Bench on the basis of seniority; and that Judges be assigned by the Presiding Judge according to their particular fitness for the work of the department occupied, and for such time as the Presiding Judge may designate.

3. That your Board through the proper committee of the Association immediately recommend, and the Association endeavor to have the Judges put into effect, a plan for the solution of the receivership problem, and that it give consideration to the question whether it would be advisable to provide by law for a salaried public receiver and assistants, such public receiver to act in all receivership matters and the fees allowed by the Court to go into the public treasury.

4. That there be recommended to the Judges that a portion of the work of department 8 be assigned to another department. Thus more time can be given to the study and consideration of receiver's reports and to the details of receivership matters. Also, that the practice of appointment of receivers on *ex parte* hearing be discontinued, except where, in the wise discretion of the Court, such appointments are clearly justified.

5. That unless Judge Walter Guerin, Judge Dailey S. Stafford, and Judge John L. Fleming voluntarily resign from their respective judicial offices, the Los Angeles Bar Association initiate a recall of such Judges at the coming November election, or take such other steps as your Board may deem advisable to effect their removal.

In conclusion, we suggest that from the present investigation by the Grand Jury there may develop facts which were not available to this Committee, and it is possible your Board may receive additional information after this report is rendered, which may justify further or different action than that herein recommended. There are many ramifications to this receivership matter which could not be investigated by our Committee without greatly delaying our report, but we do not feel that it is necessary for the purposes of the Association that the investigation by this Committee be continued beyond the work already done.

Los Angeles, California, April 13th, 1932.

Respectfully submitted,

JOHN G. MOTT,
DANA R. WELLER,
WARD CHAPMAN,
ISIDORE B. DOCKWEILER,
EDWIN A. MESERVE,
KEMPER CAMPBELL,
ARTHUR M. ELLIS,
HUBERT T. MORROW,
Judiciary Committee,
Los Angeles Bar Association.

I agree with the above report, except that I do not concur in recommending that the Association now commit itself to a recall of any of the Judges, and I consider Judge Sheldon's wager to be wholly disassociated from his Judicial conduct, and that whatever bad taste may be connected therewith is altogether personal and requires no further comment or recommendation by the Committee.

Dated at Los Angeles, California, April 13, 1932.

RICHARD J. DILLON.

Los Angeles, Cal., April 13, 1932

Mr. R. P. Jennings, President
Los Angeles Bar Association
808 Security Building,
Los Angeles, California

Dear Sir:

I hand you herewith the report of the Judiciary Committee of this date.

Judge P. E. Keeler, a member of this Committee, was absent from the City during most of the time the Committee was deliberating, and is still absent, and for that reason the Committee's report was not presented to him for signature.

Respectfully yours,
(Signed) Hubert T. Morrow,
Chairman,
Judiciary Committee.

STATEMENT AUTHORIZED BY BOARD OF TRUSTEES OF LOS ANGELES BAR ASSOCIATION

The Board of Trustees of Los Angeles Bar Association understands that some of the Superior Court Judges who will be candidates for re-election, and certain other persons who will be candidates for election to the Superior Court, are directly or indirectly soliciting contributions to their individual campaign funds from various members of this Association. The Association has neither the right nor the power to control its members in the matter of making such contributions, However, the Board of Trustees believes that it is proper to direct attention of its membership to the fact that a contribution to a candidate's campaign fund is in effect an endorsement of that candidate, and if made at this time is an endorsement before the Bar Association plebiscite has been taken. While such a prior endorsement is in no way prohibited, it is certainly inconsistent with the theory and purpose of the plebiscite.

The Board of Trustees also directs attention to the fact that the Association will conduct a campaign in behalf of the candidates endorsed by the Association, that funds will be needed for the conduct of that campaign, and that the Association expects to obtain such funds from the members of the Association.

Joint Meeting of State and Local Bars Planned for May in Los Angeles

SECTION COMMITTEE OF STATE BAR ASK ORGANIZED BAR OF LOS ANGELES TO JOIN IN COMBINED SESSION

The Section Committee of the State Bar, composed of Messrs. Joseph J. Webb, Albert A. Rosenshine and O. K. Cushing, all of San Francisco, has requested President Robert P. Jennings of the Los Angeles Bar Association to cooperate in arrangements for a meeting of the bar in Los Angeles in May. The date, tentatively fixed, is Thursday, May 26th. Definite announcement will be made later, in THE BULLETIN and otherwise, of the time, place and other details of this important meeting. A program of unusual interest to the entire bar is contemplated, and the attendance of all lawyers in Southern California is solicited.

Mr. O. K. Cushing, of San Francisco, in his request for the joint meeting says:

"Since the sections are now commencing their activities, it seems desirable that if a meeting is to be held it be no longer delayed. We think, too, that because of the very large membership of the Los Angeles Bar such a meeting should be held at Los Angeles, and we hope in this that you will agree with us. Mr. Rosenshine of our committee will be in Los Angeles at that time and it is our thought that he might open the presentation of the matter with a brief outline of the organization and plans for the section work. He would be followed by Professor Haynes of the School of Jurisprudence of the University of California, who, as you no doubt know, has been assigned by the University to the work of cooperating with the State Bar in its activities. Dean Hale of the School of Law of the University of Southern California would follow Professor Haynes.

"You will recall perhaps that the State Bar has provided three assistants for Professor Haynes, one at the University of California, one at Stanford University and one at theUniversity of Southern California, each one of whom works in connection with the faculty of the law schools at the respective institutions. By this plan the Bar will have the cooperation of the three law schools and the full time of Professor Haynes and his assistants in doing such research work as may be necessary for the sections, leaving to the sections the discussion of such problems as are presented. We hope that under this new plan we may get more effective results from the section work than have been attained in the past, and it is to that end that we are suggesting a meeting of the Los Angeles Bar."

Service Clubs Commend Bar Association

Resolution Adopted March 21, 1932, at a Meeting of Officers of a number of Service Clubs in Los Angeles to be Presented to the Members of the Los Angeles Bar Association:

WHEREAS, the members of the Service Clubs Presidents' Council, composed of the Presidents and immediate Past Presidents of Rotary, Kiwanis, Lions, Optimists, Exchange, Altrurians, Soroptimists, and Altrusa service clubs, are greatly interested in good government, and

WHEREAS, the present "Receivership" inquiry has created numerous remarks against the integrity of our judiciary, and to that extent is a factor in lessening the public's faith in our government, and particularly in one of the most important branches of that government, to wit: the judiciary, and

WHEREAS, the Los Angeles Bar Association has taken a vigorous stand in demanding the fullest investigation of the charges that certain Judges of the Superior Court of Los Angeles County have accepted exceptional gratuities from the Receivers of the American Mortgage Company, therefore be it

RESOLVED, That the Service Clubs Presidents' Council commends the Los Angeles Bar Association for its vigorous stand, and urges that Association to continue to assert itself in this manner to the end that everything possible be done to vindicate publicly any judge who is innocent and to expose publicly any judge who is guilty of wrongful acts or unethical conduct.

R. A. HEFFNER, *Chairman*
(President of Rotary)

J. CLARK SELLERS, *Secretary*
(President of Kiwanis)

RESOLUTION ADOPTED BY STANDING COMMITTEE OF FIFTEEN ON JUDICIAL CANDIDATES AND CAMPAIGNS

BE IT RESOLVED, That no member of this committee shall endorse, support or contribute financially or otherwise to the candidacy or appointment of any candidate for judicial office of the State, to be voted on in this County.

RESOLVED FURTHER, That each member of this committee request his partners and associates not to endorse, support or contribute financially, or otherwise, to the candidacy of any candidate for judicial office of the State, to be voted on in this County.

RESOLVED FURTHER, That this resolution is not intended to restrict or be applicable to the making of contributions to the Los Angeles Bar Association Campaign Fund or to any endorsement or support given candidates endorsed by the Los Angeles Bar Association after such endorsement.

State Bar Committee of Fifteen

LAUNCHES CAMPAIGN "TO INFORM THE PUBLIC CONCERNING FUNCTIONS OF THE LEGAL PROFESSION"

Among the first evidence of the activities of the Statewide Committee of Fifteen, appointed by the Board of Governors at its January meeting, is a series of addresses by eminent members of the bench and the bar before the Oakland Forum. The program was arranged by The Forum, cooperating with the Alameda County Bar Association and the Statewide Committee of Fifteen of the State Bar, and consists of eight lectures on "The Law in Everyday Life." The first of the lectures was given on February 10, and others followed at two-weeks intervals, closing the spring series on May 26. All lectures are given at the Oakland Hotel assembly room and have been very largely attended. The Oakland Forum is the most successful organization of its kind in the State.

The program for the eight lectures, the speakers and their respective subjects are such as would appeal to most lawyers, as well as the laymen for whose benefit and instruction they are specially designed. Following is the program, past and future, of the Oakland series:

Feb. 10—"The Average Man and the Law"
Dr. Orrin Kip McMurray
Dean, School of Jurisprudence, University of California.
Mr. Peter J. Crosby, Presiding

Feb. 23—"Our Judicial System"
Hon. John White Preston
Associate Justice, Supreme Court, State of California
Mr. Augustin Donovan, Presiding

Mar. 8—"The Law of the Family"
Dr. Max Radin
Professor of Law, University of California
Mr. A. J. Woolsey, Presiding

Mar. 22—"Criminal Law"
Hon. Emmet Seawell
Associate Justice, Supreme Court, State of California
Hon. Homer R. Spence, Associate Justice, District Court of Appeal, Presiding

Apr. 12—"The Lawyer and His Functions"
Mr. O. K. Cushing
Chairman of the Sections Committee of the State Bar of California
Mr. Delger Trowbridge, Presiding

Apr. 26—"When a Man Dies"
Mr. Perry Evans
Member of the California Code Commission, appointed by the Legislature in 1929
Mr. Theodore P. Wittschen, Presiding

May 12—"Every Day Contracts"
Judge Marcel E. Cerf
Formerly Judge of the Supreme Court, San Francisco
Mr. Ralph R. Eltse, Presiding

May 26—"Liability for Damages"
Mr. Edward I. Barry
A Vice-President of the State Bar of California
Mr. Charles A. Beardsley, Presiding

Mr. Arnold Praeger of the Los Angeles Bar Association is chairman of the Statewide Committee of Fifteen.

CORPORATE PRACTICE OF LAW

Press Quotes Trust Company Official As Defying Lawyers

"San Francisco, Calif.,

"Thomas C. Hennings, vice-president of Mercantile-Commerce Bank & Trust Company of St. Louis, addressing the ninth annual Trust Conference, Pacific Coast and Rocky Mountain States, replied to the criticism of members of the Bar Associations of Missouri and other states that trust companies are engaging in the practice of law.

"He suggested that trust companies take action at once to secure from the legislatures, or through the initiative in such states as have it, legislation specifically defining the practice of law 'so that the field of legal endeavor be limited to its proper sphere! . .

" 'We maintain the right to advertise our business in any manner which is approved by the public we serve. We maintain that a testator or trustor has the right to select the person or institution to carry out his wishes untrammeled by the rules of an association with which he has no concern. We maintain that the rights of the public are paramount to any jurisdictional controversy between lawyers and trust officials'."

* * * (*Reprinted from the St. Louis Globe-Democrat*)

Regular and Special Committees Los Angeles Bar Association 1932-1933

(Additional committees will be appointed at a later date.)

Committee on International Congress of Comparative Law

Gurney E. Newlin, *Chairman*
William G. Hale — Roy V. Reppy

Special Committee Re Rules of Superior Court

Clyde C. Shoemaker, *Chairman*
Ward Chapman — Robert B. Murphey
Norman S. Sterry — J. Karl Lobdell
Pierce Works

Special Committee on Law Reporting

Hon. Charles W. Fricke, *Chairman*
John W. Hart — Mrs. Winifred M. Ellis
George W. Rochester

Committee on Aeronautical Law

W. Jefferson Davis, *Chairman*
Oscar A. Trippet — Russell H. Pray
Herbert W. Kidd — Clarence B. Runkle
James E. Martin — Major Walter K. Tuller

Committee on Banks and Trust Companies

Norman A. Bailie, *Chairman*
Kemper Campbell — Julius V. Patrosso
Hon. F. G. Finlayson — Oscar J. Seiler

Committee on Inheritance Taxes

Lloyd W. Brooke, *Chairman*
Elmo H. Conley — Charles F. Hutchins
George S. Dennison — Harry A. Keithly
George W. Fenimore — Joseph D. Peeler
Samuel H. French — Robert A. Waring

Committee on Juvenile Court

Hon. Bertin A. Weyl, *Chairman*
John B. Beman — George A. Hooper
John M. Bowen — Earl E. Jensen
C. Newell Carns — Jerry H. Powell
G. C. DeGarmo — Maurice Saeta
E. H. Delorey — Clore Warne
Betty M. Graydon — Florence M. Woodhead

Committee on Legislation

Hon. Leslie Hewitt, *Chairman*
C. M. Booth — Otto J. Emme
B. J. Bradner — Walter J. Little
Harry A. Chamberlin — Frank F. Oster
James E. Degnan — M. B. Silberberg

Committee on Legal Education

Stanley W. Guthrie, *Chairman*
Henry Wm. Bruce — Henry P. Goodwin
Victor Ford Collins — Wm. G. Hale
E. W. Cunningham — Chas. W. Partridge
Gerald Bridges, *Sec'y.*

Special Joint Committee on Municipal Court

W. H. Anderson, *Chairman*
J. Marion Wright — Harry J. McClean
Loyd Wright — Raymond G. Thompson

Municipal Court Judges

Hon. Thos. L. Ambrose, *Chairman*
Hon. R. Morgan Galbreth
Hon. Ben J. Scheinman
Hon. E. J. Lickley
Hon. Jos. F. Chambers

Committee on Municipal Corporations

Paul E. Schwab, *Chairman*
Chester L. Coffin — Bruce Mason
Roy W. Dowds — C. C. Mishler
W. Turney Fox — Wm. H. Neal
Arthur Edwin Freston — Andrew H. Rose
Russell B. Jarvis — Chas. R. Stead
Donald M. Keith — Burt L. Wix

Committee on Illegal Practices

(Ambulance Chasing)
Dale H. Parke, *Chairman*
Joseph A. Ball — James E. Neville
Louis J. Canepa — Paul Sandmeyer
Louis E. Kearney — Walter O. Schell

Committee on Probate Law and Procedure

W. H. Wadsworth, *Chairman*
Ella Rae Briggs — Karl R. Levy
Ray L. Chesebro — Paul Loewenthal
Lee Combs, Jr. — Don Marlin
A. L. Hickson — Joseph N. Owen
A. R. Killgore — Robert F. Shippee

Committee on Public Defender's List

Clarence L. Variel, *Chairman*
Edward Hervey — John R. Berryman, Jr.
Frederic H. Vercoe — Edward A. Penprase

New York State Bar Association

SEEKS WAYS TO MAKE JUDICIAL NOMINATIONS NON-POLITICAL LEADERS NAMED BY PRESIDENT SEABURY

Samuel Seabury, who as chief counsel to the Hofstadter Committee has attacked the political "deal" that led to the creation of twelve new places on the Supreme Court bench in the Second Department, has taken steps toward divorcing the judiciary from politics in his capacity as president of the State Bar Association.

Mr. Seabury announced the appointment of twelve outstanding lawyers in the State to seek ways to make judicial nominations non-political and consider methods for improving the calibre of the judiciary. The local lawyers selected by Mr. Seabury for places on the committee included some of the most outspoken critics of the bipartisan judicial deal between John H. McCooey, Brooklyn Democratic leader, and Meier Steinbrink, former Republican leader of the borough, who was among those elected to the Supreme Court bench.

Members of the Committee

The Manhattan lawyers named by Mr. Seabury are Frederic R. Coudert, who sponsored the resolution under which the committee was appointed; Charles C. Burlingham, former president of the Bar Association of the City of New York, and Charles E. Hughes, Jr. Brooklyn is represented on the committee by Jackson A. Dykeman and James E. Finnegan, who in the last campaign headed the "No Deal" movement to defeat the bipartisan judicial ticket.

Other members are Judge Joseph Rosch of Albany, Thomas B. Cotter of Plattsburgh, Warnick J. Kernan of Utica, Rollin W. Meeker of Binghamton, Judge Arthur E. Sutherland of Rochester, Robert H. Jackson of Jamestown and Samuel M. Cuddeback of Port Jervis.

The resolution under which Mr. Seabury was authorized to appoint the committee was introduced at the final session of the State Bar Association's annual meeting by Mr. Coudert after Frederick W. Hinrichs, former member of the Board of Education and a veteran civic worker, had denounced the political deal by which the twelve vacancies were created.

Under the terms of the resolution the committee is to confer with representatives of bar associations and civic organizations throughout the State before making its report. In announcing the appointment of the committee Mr. Seabury, indicated that he regarded it as an important one.

(From the New York *Times*)

Junior Bar Committee Meets

The Junior Committee of the Los Angeles Bar Association held its first meeting under the new administration, Thursday evening, April 14, 1932, at the Army and Navy Club. Chairman Lowell W. Matthay presided at dinner and the entertainment which followed.

About seventy-five of the younger members of the bar were in attendance to take in the program arranged. Harry H. Culver, former president of the Los Angeles and United States Realty Boards was the principal speaker, delivering one of his inspirational talks. The experiences of a young lawyer before the United States Supreme Court were most interestingly related by John D. Ricker, a member and former chairman of the Junior Committee, who appeared for the State in the celebrated Red Flag case.

Among the invited guests introduced at the meeting were, Robert P. Jennings, Lawrence L. Larrabee, Hon. B. Rey Schauer, Hon. Carl A. Stutsman, Hubert T. Morrow and Joe Crider, Jr., each of whom made a few apt remarks.

A variety of orchestral, singing and dancing acts completed an enjoyable and instructive session.

Law Office Management and Efficiency

BAR ASSOCIATION COMMITTEE SUBMITS MANY HELPFUL SUGGESTIONS

The Committee on Office Management and Efficiency of the Los Angeles Bar Association has made a most interesting report of its investigations of the best modern business methods of running a law office. "The report has been prepared," says Chairman Arthur W. Eckman in submitting the results of its research, "with a view to helping the new member of the organization who has had little experience with routine work, files, booking, etc."

The report suggests numerous forms of keeping accounts, papers and other records, many of which cannot be printed in THE BULLETIN owing to the lack of space. There is, however, presented to the members a digest of those matters of special interest to the lawyer who has not yet evolved and adopted an office system.

Filing System

The majority of offices number their files consecutively, and place them in their numerical order in the filing cabinet. Small offices, and offices in which individual attorneys specialize in the different branches of the law, find the following designations useful:

For estates, use the prefix Est, followed by the number, as Est-1, Est-2, Est-3 and so on;

For actions, use the prefix A, followed by the number, as A-100, A-101, A-102, A-103;

For corporations, use the prefix C, followed by the number, as C-1, C-2, C-3, C-4;

For collections, use the prefix K, followed by the number, as K-1, K-2, K-3;

For escrows, use the prefix E, followed by the number, as E-1, E-2, E-3;

For miscellaneous matters, use the prefix Z, followed by the number, as Z-1, Z-2, Z-3.

When placing the folder in the cabinet, the actions may be placed in one drawer, the estates in another, and the other cases placed all together in one drawer, dependent, of course, on the number of open files under each classification. In this way, the attorney handling estates, for instance, can readily find his files without disturbing the other folders, and so on.

On the outside of each drawer should be placed a card on which is indicated the numbers of the files in the drawer, and whether open or closed, as per diagram marked "Exhibit 1."

Indexing System

For the purpose of indexing, either a book index or card index may be used, arranged alphabetically. The latter is recommended as being less cumbersome. All pertinent data should be typed on each card, as well as a brief statement of the nature of the case. This saves much time in identifying a case where one handles a great many cases for one client; especially after files have been closed five or ten years and it becomes necessary to refer to them again.

An open and closed card index box is kept. When a case is closed, the folder is transferred to the closed file; the card is removed from open to closed index box and register of actions sheet is removed from open to closed box.

The number of the file should be placed on each letter or legal instrument, thus enabling the file clerk to file the carbon copies promptly and without the necessity of reading them over.

Type of Folders

Economy can be effected by using two kinds of folders,—the large tie envelope for bulky and loose papers (such as estate papers,) and the plain folder for an ordinary case.

Papers should be filed in three different stacks within the folder:

(1) Legal stack;

(2) Correspondence stack;

(3) Research stack;

When the papers in the folder become too bulky, the correspondence is removed, placed in a separate folder and is given a sub number under the main case.

Use Different Colored Paper

To facilitate locating papers easily, different colored paper may be used to advantage:

(1) Statement of fact (orange)

The one interviewing a client for new business should dictate a statement of all facts pertaining to that case for a permanent record, which should then be typed on the orange sheet and filed on the bottom of the legal stack. Any subsequently discovered facts may be added thereto from time to time;

(2) Follow-up sheet (blue)

A blue sheet may be used on the top of the legal stack (especially useful in probate cases) on which may be listed matters to be followed up;

(3) Research (yellow)

All research data is written or typed on yellow legal sized paper, as this is exclusively for office reference;

(4) Inter-communications (pink)

The inter-communications are used to make reports to the head of the office, or one attorney may set forth facts on which a legal opinion is desired, and send it to the research man, and so on.

Work Time Record

Time slips should be used by each attorney in the office to keep a record of his time. These slips are also of great assistance in preparing itemized statements for clients, and also to refresh one's recollection in event of a suit for fee for services rendered.

Those attorneys whose duties are principally to interview clients should make notation on date book of time spent with client, and secretary can then transfer it to time slips. This is not practical for one who does much routine and detail work.

Office Supplies

While economies should be effected by purchasing supplies in large quantities, this is not desirable for one just setting up an office. He is apt to move several times before getting permanently located, and letterheads, envelopes, legal backs, etc., are very unattractive when blocked out and new addresses written in. Typewriters, adding machines, check-protectors, etc., should be of the best. Cheap equipment is frequently responsible for poor work.

All letters and papers should be stamped showing date of receipt. Papers must not be pigeonholed.

Office Details

Each member of the office should keep the switchboard operator, or the receptionist, as the case may be, informed of his whereabouts, to avoid uncertainty and confusion. If this rule is followed, appointments can be made more readily and telephone lines may be quickly released for use by others.

Order should be maintained throughout the office at all times. Desks and cupboards should be kept free from the accumulation of junk. The office and the persons in it should be neat and clean at all times.

Definite office hours and periods for luncheon should be established. The majority of persons are willing to work over time when necessary, and fixed office hours gives one the opportunity to keep whatever business appointments or social engagements he may have outside of office hours.

At the close of business, all files should be returned to the cabinet and all books to the library. Request should always be made of the one in authority for permission to take any book out of the office, and a receipt therefor should be put in its place.

Receipt describing in detail any property, stocks, bonds, etc., received from a client should be given to him. When such securities are later surrendered, he should return the receipt or sign a new one. Securities should be placed in envelopes, plainly labeled and filed alphabetically in the safe. Certificates of title, deeds and other papers should also be kept in the safe, properly marked.

Explanation of Simple Bookkeeping System
I. *Books and Records*:

(1) Bank Accounts:

(a) Business Account

(b) Clients' Account

(2) Ledgers:

(a) General Ledger—
for business accounts

(b) Clients' Ledger—
for clients' accounts

(3) Journal

II. *Bank Accounts*:

All funds belonging to the business should be kept in one account, and funds belonging to the client should be kept in a separate account designated as "Clients' Account" or "Trustee Account."

A record of all transaction should be kept on the stub of the check book when issuing a check or making a deposit.

III. *Ledgers*:

A. *General Ledger*:

All transactions in connection with the conduct of the business, etc., should be entered from the check stubs in this ledger.

Chart of Accounts in General Ledger

Current Assets:

1. Bank Account (enter in this account on the debit side of ledger total of all receipts, and on credit side total of all disbursements at end of each month);
2. Stocks, Bonds, etc., owned by firm;
3. Accounts Receivable;

Fixed Assets:

4. Library;
5. Reserve for depreciation on Library;
6. Office Furniture;
7. Reserve for depreciation on Furniture;

Liabilities:

8. Invested Capital;
9. Accounts payable;
10. Notes payable;

Income:

11. Fees and Retainers;
12. Interest Earned;

Expense:

13. General Expenses;
14. Advance Sheets and legal periodicals;
15. Interest paid;
16. Office supplies;
17. Postage;
18. Rent;
19. Salaries;

B. *Clients' Ledger*:

Accounts to be carried in Clients' Ledger

1. Bank Account (enter on debit side of ledger total of all receipts and on credit side total of all disbursements, as shown in check book at the end of each month);
2. An account should be opened in the Ledger for each Client;

Both the General Ledger and the Clients' Ledger may be kept under the same binder. The General Ledger in front and the Clients' Ledger in the back.

If it is necessary to advance costs for a client, a transfer should be made from the business account to the clients' account, and charged to "Accounts Receivable."

The Journal may be used for making entries which you may wish to have appear in the various accounts and which do not appear in the check book or other records, and are posted direct from the Journal to the Ledger.

The entries in the check book and the Journal should be posted to the Ledger each day in order to have the various accounts reflect their true condition.

A trial balance should be taken at the end of each month.

(The various forms accompanying the report, and which cannot be printed here, are on file with the Executive Secretary of the Bar Association.)

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